

Exhibit 63

<https://skat.dk/skat.aspx?oid=1946308>

Legal guidance

C.B.2.1.7.2 The realisation principle or the accrual principle?

Content

This section describes the rules for when to apply the realisation principle and when to apply the accrual principle, and how to calculate gains and losses under the two methods. See [ABL § 23](#).

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Rule

Gains and losses on shares and investment certificates are normally included in the income of individuals on a realisation basis. See [ABL § 23](#), paragraph 1. In certain cases, however, persons may or must use the accrual principle.

Gains and losses on shares and investment certificates issued by an investment company shall be included on an accruals basis. See ABL §§ 19–19 D, ABL § 23(7) ► (as amended by § 2(3) of Act No 1179 of June 8, 2021, with the amendment not taking effect until January 1, 2022) ◀, and section [C.B.4.3](#). (For the 2019 income year and earlier, the rules were contained in ABL § 19 and § 23(7). See Law No 84 of January 30, 2019 and section [C.B.4.3](#)).

For shares and investment certificates held in a share savings account, see section [C.B.5](#).

Companies must apply the accrual principle as a general rule. See [ABL § 23](#), paragraphs 5–6, section [C.B.2.3.3](#) and section [C.B.2.3.6](#).

See section [A.A.8.2.1.7](#) and § 6 and § 9(7) to (9) of Act No. 683 of June 8, 2017, on cases where the taxpayer has wrongly applied the wrong principle.

What does the realisation principle mean?

When the realisation principle is applied, gains and losses are included in the tax assessment for the income year in which the gain or loss is realised, i.e. the income year in which the realisation takes place. Realisation means sale, exchange, cancellation and other forms of divestment. The decisive factor for determining the time of realisation is when there is a final and binding agreement on the realisation. For shares traded on a stock exchange, the date of the stock exchange quotation (trade date) is taken as the basis. The date of the quotation, on the other hand, is irrelevant. See [ABL 30\(1\)](#) and section [C.B.2.1.6](#). Liquidation proceeds distributed in the income year in which the company is finally dissolved are also ► normally ◀ treated as a realisation sum. See [ABL § 2\(1\)](#), ► LL § 16 A(3)(1) and section [C.B.2.10.1](#). ◀.

Profit is calculated as the difference between the acquisition cost and the realisation sum. See section [C.B.2.2.1](#).

See also section [C.B.2.2.3](#) on transitional rules for persons and section [C.B.2.1.7.3](#) on the share-for-share method or the averaging method.

What does the accrual principle mean?

When the accrual principle is applied, the gain or loss for the income year is calculated as the difference between the value of the shares at the end of the income year and at the beginning of the income year. Thus, a gain is taxed or a loss is deducted even if the shares have not been sold and the gain or loss has not been realized. For shares acquired during the tax year, the acquisition cost is used instead of the value at the beginning of the tax year. For shares disposed of during the income year, the disposal sum is used instead of the value at the end of the income year. However, disposal sums subject to tax under § 16 A or § 16 B of the Income Tax Act are not included in the calculation. See ABL § 23(2) and (7) ► (as amended by § 2, No. 3, of Act No. 1179 of June 8, 2021, although the amendment will not take effect until January 1, 2022), ◀ and section [C.B.2.10](#).

Guidelines on price data for tax reporting of securities holdings etc. according to the rules in SIL § 17 (former SKL §§ 10 and 10 A) have been provided in SKM notice dated August 15, 2019 ► ([SKM2019.395.SKTST](#)) ◀.

See [SKM2019.395.SKTST](#).

Special rules apply to shares and investment certificates issued by an investment company. See section [C.B.4.3](#).

When is the realisation principle applied and when is the accrual principle applied?

Gains and losses on shares and investment certificates are normally included in the income of individuals on a realisation basis. See [ABL § 23](#) (1).

However, gains and losses on shares and investment certificates issued by an investment company are taxable according to the accrual principle. See ABL §§ 19–19 D, [ABL § 23](#)(7) ► (as amended by § 2(3) of Act No. 1179 of June 8, 2021, with the amendment taking effect

only from January 1, 2022) ◀, and section [C.B.4.3](#). (For the 2019 income year and earlier, the rules on investment companies were contained in ABL § 19 and ABL § 23(7). See Law No. 84 of January 30, 2019).

Companies must apply the accrual principle as a general rule. See [ABL § 23](#) (5)–(6), section [C.B.2.3.3](#) and section [C.B.2.3.6](#).

Taxable persons covered by [ABL § 17](#), i.e. taxable persons who are nourished by the purchase and sale of shares, may opt once and for all to apply the accrual principle. See [ABL § 23](#)(2).

The Tax Agency may allow other methods of calculation than the realisation principle. See [ABL § 23](#) (3). Permission may be given, for example, for other parties than traders to use the accrual principle. If such permission is granted, the approved method of valuation may be changed only with the permission of the Customs and Tax Administration. See **Article 23(3) of the ABL**.

Special accounting principles for shares, which may be laid down in other legislation, may also be allowed for the purposes of the law on taxation of profits on shares.

However, the use of other principles shall not be authorised where the law expressly provides for the accrual principle to be applied.

Taxable persons who derive their income from the purchase and sale of shares must apply the accrual principle when calculating gains or losses on investment certificates in UCITS subject to minimum taxation. See **Article 23(4) of the ABL**. In addition, taxable persons must apply the accrual principle when calculating gains and losses on investment certificates issued by UCITS subject to minimum taxation if they apply the accrual principle when calculating gains and losses on bonds admitted to trading on a regulated market. See [ABL § 23](#), paragraph 4.

Shift between the realisation principle and the accrual principle

Taxpayers switching from the realisation principle to the accrual principle must use the acquisition cost of the share as the value at the beginning of the first income year under the accrual principle. See [ABL § 24](#) (3).

Taxpayers switching from the accrual principle to the realisation principle must use the value of the shares at the end of the last income year under the accrual principle (the terminal value) as the acquisition cost of the shares when subsequently calculating gains and losses on the shares. See [ABL § 24\(3\)](#).

These rules do not apply when a company's shares change tax status. See [ABL § 33A](#), and section [C.B.2.3.7](#).

Shares included in the taxpayer's holdings of near-capital shares, covered by [ABL § 17](#), may change status and instead be transferred to the taxpayer's holdings of non-capital shares.

Upon the transfer of the share to the fixed assets portfolio, in cases where the taxpayer has opted to apply the accrual principle for the determination of gains and losses on the commerce shares, a final determination of gains and losses under the accrual principle is made. The changeover to fixed assets takes place from the following income year. In the case of a subsequent disposal, gains and losses are calculated on the basis of the value of the shares at the end of the income year preceding the transfer. See [ABL § 24](#) (4).

For the deposit of shares in a share savings account or the withdrawal of shares from a share savings account, see section [C.B.5](#).

Companies

See section [C.B.2.3](#) on companies.